



# The Federation of Telangana Chambers of Commerce and Industry

(Formerly known as FTAPCCI)

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*Empowering Industry, Commerce & Trade*

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## **BEFORE THE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION**

5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Hyderabad 500004

In the matter of:

Report of Grid Coordination Committee (GCC) for analysis on the  
issue of Levy of Grid Support Charges (GSC) for FY 2023-24

Observations/ Comments/ Objections/ Suggestions by

*The Federation of Telangana Chamber of Commerce and Industry  
(FTCCI)*

27<sup>th</sup> December 2023

**The Grid Coordination Committee (GCC) based on its report, have given recommendations to levy the grid Support Charges (GSC) as under:**

Grid Support Charges(GSC)	Total installed Capacity X Rate of Grid Support Charges (Rs./kW/month)
Rate of Grid Support Charges	<p>i. The parallel operation/grid support charges are to be applied to the total installed capacity of the generators connected to the Grid.</p> <p>ii. Conventional generators shall pay <u>Rs.50 per kW per month</u>.</p> <p>iii. Renewable energy plants including waste heat recovery plants, the plants based on municipal solid waste, and the co-gen plants shall pay <u>Rs.25 per kW per month</u>.</p> <p>iv. Rooftop solar plants under net metering/gross metering policy shall pay <u>Rs.15 per kW per month</u>.</p> <p>v. Co-gen sugar MiIIs shall pay charges of <u>Rs.25 per kW per month</u>, for a period of 4months or actual operation period, whichever is higher.</p> <p>vi. These charges shall not be applicable when the plants are under shutdown for any reason and when such shutdown period exceeds two months</p> <p>vii. To the extent of PPA capacities of the generators with TSDISCOMs shall be exempted from payment of these charges.</p>

FTCCI would like to submit that it is a settled case that parallel operation or grid support charges are levied on the generators connected to the grid, however, its limited to conventional generators and captive generators (in proportion to the capacity injected in the grid).

In a recent case, APTEL, in its Judgment dated 14.12.2023 in the matter of Rain CII Carbon (Vizag) Ltd vs AP Discoms & AP Tranco, Hon`ble APTEL **held that a non-captive Co-Generation Plant is not liable to pay Grid Support Charges and the levy shall be limited to only the power consumed by the co-located load, if any.**

Four issues were framed and adjudicated: –

1. Whether the State Commission is empowered to levy Grid Support Charges on non-Captive Co-generation plants?
2. Whether Grid Support Charges should be levied on total installed capacity of the plant?
3. Whether the reasoning for levy of Grid Support Charges is justified?
4. Whether imposition of Grid Support Charges leads to double levy on the Appellant?

Key findings of the APTEL are summarized below (**Order attached as annexure**): –

1. Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying Grid Support Charges even for the capacity that is sold to 3rd parties [**Para 10**].
2. Generators that are not self-consuming the power, i.e., **not having the captive loads, cannot be said to be drawing support from the grid, and thus cannot be asked to pay Grid Support Charges** [**Para 66**].
3. There is no decision either APTEL or by Supreme Court regarding imposition of Grid Support Charges on non- Captive Power Plants [**Para 26**].
4. Levy of Grid Support Charges on the non-captive power plant shall be limited to only the power consumed by the co-located load [**Summary of Judgment**].

APTEL in its Judgment, also settled the following position of law: –

1. Co-Generation Plant, operating parallel to the grid, can be levied with Grid Support Charges **only when** it is a Captive Power Plant and consuming more than 51% of the energy produced by such plant [**Paras 78 and 80**].
2. State Commission has powers to determine and impose Grid Support Charges on Captive Power Plants [**Paras 62 and 70**].
3. No reason has been provided by APERC in excluding the generators from the paying Grid Support Charges who have signed PPAs with Discoms [**Para 73**].


**Given the above judgment, FTCCI submits that parallel operation or grid support charges should not be levied on the co-generation plants connected to the grid.**

**Further, as far as Renewable generating plants are concerned, only grid-connected plants with captive or third-party purposes should be levied with the parallel operation or grid support charges and not the co-generating plants.**

**Further, Rooftop solar plants under net metering/gross metering, as per the 'Regulation for connectivity with the Grid and sale of electricity from the roof-top solar photovoltaic system' are already limited to 50% load of the distribution transformer capacities for LT and 50% load of 11kV or 33kV feeder for HT connections. Hence, there is no need for them to pay grid support charges as they are already limited by the grid**

**For The Federation of Telangana Chambers of Commerce and Industry (FTCCI),**

**Place: Hyderabad  
Date: 27.12.2023**

  
**T Sujatha**  
Dy. CEO, FTCCI